

# **SUPERIOR COURT OF CALIFORNIA**

**County of San Diego**

**DATE: June 14, 2006**

**DEPT. 71**

**REPORTER A:**

**CSR#**

**PRESENT HON. Ronald S. Prager**

**REPORTER B:**

**CSR#**

**JUDGE**

**CLERK: K. Sandoval**

**BAILIFF:**

**REPORTER'S ADDRESS: P.O. BOX 120128**

**SAN DIEGO, CA 92112-4104**

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## **RULING AFTER ORAL ARGUMENT PIPELINE SETTLEMENT**

**IN RE: JCCP 4221/4224/4226&4428 – Natural Gas Anti-Trust Cases (Pipeline)**

The attached Court's ruling applies to all cases listed as follows:

<b>4221-00001</b>	<b>PHILLIP vs EL PASO MERCHANT ENERGY</b>
<b>4221-00002</b>	<b>PHILLIP vs EL PASO MERCHANT ENERGY</b>
<b>4221-00003</b>	<b>CONTINENTAL FORGE COMPANY vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00004</b>	<b>BERG vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00005</b>	<b>THE CITY OF LONG BEACH vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00006</b>	<b>THE CITY OF LOS vs SOUTHERN CALIFOR</b>
<b>4221-00005</b>	<b>SWEETIE'S A CALIFORNIA PARTNERSHIP vs EL PASO CORPORATION</b>
<b>4221-00006</b>	<b>THE CITY OF LOS ANGELES vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00007</b>	<b>SWEETIE'S A CALIFORNIA PARTNERSHIP vs EL PASO CORPORATION</b>
<b>4221-00008</b>	<b>CALIFORNIA DAIRIES INC vs EL PASO CORPORATION</b>
<b>4221-00009</b>	<b>DRY CREEK CORPORATION (JCCP 4228) vs EL PASO NATURAL GAS COMPANY</b>
<b>4221-00010</b>	<b>HACKETT vs EL PASO CORP</b>
<b>4221-00011</b>	<b>THE COUNTY OF LOS ANGELES vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00012</b>	<b>THE CITY OF VERNON vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00013</b>	<b>WORLD OIL CORP vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00014</b>	<b>CITY OF UPLAND vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00015</b>	<b>THE COUNTY OF SAN BERNARDINO vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00016</b>	<b>EDGINGTON OIL COMPANY vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00017</b>	<b>THE CITY OF CULVER CITY vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00018</b>	<b>THE CITY OF BURBANK vs SOUTHERN CALIFORNIA GAS COMPANY</b>
<b>4221-00019</b>	<b>THUMS LONG BEACH COMPANY vs SOUTHERN CALIFORNIA GAS COMPANY</b>

This matter was taken under submission on June 8, 2006. The Court having reviewed the parties' arguments, the papers filed, the arguments of counsel present at oral argument and the applicable law,

affirms its tentative ruling of June 7, 2006. The Court hereby rules as follows.

The Court grants the parties' request for judicial notice.

#### Final Approval of Class Action Settlement

This Cartwright Act action was filed in an attempt to redress record high energy prices imposed on Californians from alleged anti-trust conduct of Defendants. California had recently deregulated its energy market and some believed deregulation contributed to the California Energy Crisis. Plaintiffs however filed this consumer antitrust class action and alleged Defendants conspired to restrain trade in the energy market by restricting the flow of natural gas at the California border. Specifically, the complaint alleged that in September, 1996, executives from Sempra and El Paso corporations met in an hotel room in Phoenix, Arizona to create a scheme to control the flow of natural gas to and within Southern California. Plaintiffs further alleged that after the Phoenix meeting Sempra and El Paso stopped competing against each other for projects that would have brought additional natural gas pipeline capacity to California. The Defendants resolutely opposed the allegations made by plaintiffs.

This action began a long arduous fight that expended unbelievable resources in an attempt to remedy an unprecedented situation. This action was subsequently coordinated statewide with similar cases as the Natural Gas Pipeline cases. It was one of many filed throughout the state on behalf of consumers, municipalities, agencies and entities against every energy producer, marketer, regulated and unregulated energy entity imaginable. Numerous proceedings were had before the Federal Energy Regulatory Commission (FERC), the California Public Utilities Commission (CPUC), multiple state and federal courts. This action, however, is one of very few that remained viable as others failed to survive Federal Preemption or the bar of the Filed Rate Doctrine.

At the time FERC determined the rate increases were largely part of a market-based system and the product of deregulation. When Plaintiffs filed their action in 2000, the Attorney General declined to participate in its resolution. Plaintiffs pressed on, and the efforts of counsel have been revealed in a substantial settlement previously with the El Paso defendants, and now with the Sempra defendants. The parties now seek final approval of the class action settlement.

When considering a motion for final approval of class action settlement, a court's inquiry is whether the settlement is "fair, adequate, and reasonable. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4<sup>th</sup> 1794, 1801 n.7) A settlement is fair, adequate and reasonable, and merits approval when "the interests of the class as a whole are better served if the litigation is resolved by the settlement rather than pursued." (*Manual for Complex Litigation, Third* (MCL 3d) (1995) section 30.42 at 238) "Although the court gives regard to what is otherwise a private consensual agreement between the parties, the court must also evaluate the proposed settlement agreement with the purpose of protecting the rights of the absent class members who will be bound by the settlement." (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4<sup>th</sup> 224, 245)

The trial court operates under a presumption of fairness when the settlement is the result of arm's length negotiations, investigation and discovery that are sufficient to permit counsel and the court to act intelligently, [where] counsel are experienced in similar litigation, and the percentage of objectors is small." (*In re Microsoft I-V Cases*, (2006) 135 Cal.App.4<sup>th</sup> 706, 764)

The trial court has broad discretion to determine whether the settlement is fair. (*Dunk v. Ford* (1999) 48 Cal.App.4<sup>th</sup> 1794, 1801, citing *Rebney v. Wells Fargo Bank* (1990) 220 Cal. App. 3d 1117, 1138) "The inquiry 'must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or

collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned.” (*Dunk, supra* at 625.) Further, “it cannot be over emphasized enough that neither the trial court in approving the settlement nor [the Court of Appeal] in reviewing that approval have the right or the duty to reach any ultimate conclusions on the issues of fact and law which underlie the merits of the dispute.” (*7-Eleven Owners for Fair Franchising v. Southland Corp.* (2001) 85 Cal.App.4<sup>th</sup> 777)

The Court finds the Settlement Agreement is the product of difficult arms-length negotiations between the parties’ extremely well credentialed attorneys, which culminated from years of investigation, education, discovery, and legal debate. *In re Microsoft I-V Cases* (2006) 135 Cal.App.4<sup>th</sup> 706, 723 sets out factors the Court must consider when approving a class action settlement. The Court finds those factors have been satisfied as detailed below.

First, Plaintiffs’ case was not strong. It was one of numerous cases filed to remedy the energy crisis. It was one of a few that proceeded past the pleading stage. This action, although hard fought and well reasoned, proceeded for the most part on a dispute over unresolved legal jurisprudence. The evidence presented at trial was credible, but not unexplained. Plaintiffs’ theories were not incredulous, especially since so much suspicion arose from the debilitating effects of the energy crisis. Nonetheless, it is undisputed that Plaintiffs’ were not guaranteed an easy victory.

Second, the risk, expense, complexity and duration of further litigation absent the settlement would have been astronomical. This case was two months into trial when the parties reached a settlement. As stated above, Plaintiffs’ case was arguably an uphill battle. In addition, a huge risk presented for Defendants. If the jury believed Plaintiffs’ case, Defendants might have suffered bankruptcy in order to pay damages awarded against them. Currently, the parties have incurred untold fees and costs in litigating this matter, if not for the settlement, further litigation would boggle the mind in terms of the costs and complexity involved in starting over.

Third, the amount of the cash settlement alone is sufficient in light of the circumstances surrounding this action. As stated above, Plaintiffs did not have an overwhelmingly strong case and the risks of proceeding were high. Since essentially no other case proceeded past the pleading stage, this action amounted to consumers’ “last chance” at redress in the court system. The result of a jury decision, which was decidedly questionable, makes settlement reasonable and preferable at this time.

The non-cash elements of the settlement, although subject to CPUC approval, are significant. The evidence presented indicates a value in the multi-millions. The exact value is disputed, but the value is substantial nonetheless. Similarly, the “\$300 million insurance policy” regarding the CDWR contracts is also substantial in light of the state’s difficulties in its own litigation.

As such, the consideration offered weighs in favor of settlement, instead of proceeding with risky, costly litigation.

Further, it is undisputed that discovery in this matter was comprehensive. It is undisputed that counsel are exceedingly capable, educated, experienced and driven. Plaintiffs’ counsel “rode alone” in pursuit of these claims. Without any assistance from the Attorney General, Plaintiffs’ counsel sought relief for 13 million energy consumers at a time when it was believed by the government and administrative agencies that the energy crisis was the unfortunate result of deregulation and couldn’t possibly have been caused by *abuse* of the system. Once evidence came to light that manipulation of the market and regulatory system was possible, the State initiated its own litigation.

The Attorney General recently became active in this case after initially declined to participate. The Office of the Attorney General asserts the settlement in this action may adversely effect the outcome of its own litigation. As such, the Court

was given the opportunity to review the settlement from an adversarial perspective not usually considered in approving a settlement between willing parties. The Attorney General continues to ask the Court to consider the impact the settlement agreement might have on the State's ongoing litigation and future proceedings before the FERC and CPUC.

The Court continues to view these requests as inappropriate advisory opinions, predicated on speculation, and will not comment on the future possible impacts or problematic applications to other proceedings.

Finally, Plaintiffs persuasively point out that of the 13 million class members only a handful objected to the settlement. Most of the objectors were government entities, private utilities, or public agencies that opposed the settlement because Defendants' indication that the general releases in the settlement agreement would be used to adversely impact other actions and proceedings. Other objections were filed concerning (1) adequate notice to the class because the settlement and notices were only disseminated in English, (2) the value of the non-cash components of the settlement were uncertain and (3) the amount of attorneys fees.

Even Plaintiffs initially advocated against settlement approval without assurances from Sempra concerning the scope of the releases.

Subsequent to the filing of the objections, the Sempra Defendants and Southern California Edison, representing the interest of millions of electricity ratepayers, reached further settlement concerning the scope and effect of the settlement releases in these actions and proceedings. Sempra unambiguously conceded, among other things, that the releases would not interfere with public entities pursuing separate proceedings under their broad police powers. Sempra also significantly agreed not to contest any refunds to electricity ratepayers ordered by the FERC as long as the FERC continues to use the formula it has employed for almost five years to determine the amount of those refunds. As such, the most significant objections concerning the releases are moot. The Court further notes, that once the Edison settlement was finalized the Plaintiffs withdrew their objection to the approval of the settlement based upon what they previously viewed as a problem with the releases.

Similarly, the Court finds the Attorney General, PG&E and The Electricity Oversight Board's continued objections, despite the concessions from Sempra, are without merit. Thus, the Court overrules these objections in this regard. There is no reasonable basis for this Court to conclude that FERC will elect to change the refund methodology it has employed for nearly five years. Even in the unlikely event that FERC will change its methodology, Sempra agrees it will not contest any refund unless the new methodology results in higher electricity refunds than would have resulted from the use of the current methodology. In addition, whether the FERC elects to change its methodology is simply too speculative at this time. This Court recognizes that Sempra has a contractual right to protect itself from potential adverse events. In light of the bargains crafted by and between the parties the Court will not interfere with those agreements nor presume to know better. Further, the effect of this settlement on any future administrative agency decision or other tribunal is a determination to be made wholly by the agency or tribunal. It is improper for this Court to hypothesize on those effects and the Court is unwilling to gamble away substantial benefits to the class based on nothing more than pure conjecture. (See: *In Re: Domestic Air Transportation Antitrust Litigation* (N.D. Ga 1993) 148 F.R.D. 297, 305 [the time has come for the rational and practical resolution of this complex litigation . . . Plaintiffs have achieved a certain and worthwhile benefit for the class in exchange for the mere possibility of recovery at some indefinite time in the future."].)

In addition, the parties, Edison, and others agree this settlement will not thwart the Attorney General's ability to enforce its ample police powers in the unrestricted implementation of injunctive relief, civil penalties, and other forms of structural relief against the Sempra Defendants. Only in the remote situation that the Attorney General is unsatisfied with these remedies, and somehow is successful in obtaining damages or restitution on behalf of class members, will the impact of this settlement on future litigation come into play. Such contemplation is unworthy of the risk to the class in

denying settlement approval and proceeding with this litigation. (See: *In Re: Domestic Air, supra*)

The Court is unpersuaded by the continued objection of the CPUC. Nothing in the settlement agreement interferes with the authority or jurisdiction of the CPUC. The settlement agreement expressly states that the structural relief, the LNG

contracts and other provisions are subject to the authority and approval of the CPUC. There is no objective basis for concluding that the terms of the settlement agreement abrogate, in any way, the law or authority of the CPUC. The Court is confident that Sempra will abide by its implied obligation to construe the settlement agreement in good faith so as not to abrogate the benefits to the ratepayers.

The Court overrules the objections of the City of Signal Hill. The Court finds the City of Signal Hill misstates the settlement agreement and its effect on the municipality. Further, Signal Hill has indicated to the Court that it is currently in settlement talks with the City of Long Beach.

The Court also overrules the objections of Equilon Enterprises LLC and Shell California Pipeline Company LLC since resolution of their objections is being satisfied outside these proceedings. In addition, the Court notes the Sempra Defendants and Plaintiffs' counsel represent that it was their intention that the term "defendants" meant only "Sempra parties" and would not apply as Equilon and Shell contend.

The Court overrules the objections of The Utility Reform Network in accordance with the Court's ruling herein and pursuant to the agreement between Edison and the Sempra defendants.

The Court also overrules the objections of the Utility Consumers Action Network, Inc. (UCAN) in accordance with the Court's ruling herein and pursuant to the agreement between Edison and the Sempra defendants. The Court declines UCAN's invitation to conditionally approve the settlement until some unknown time in the future. The Court finds the risk of the settlement failing outweighs the concern's of UCAN, particularly since UCAN's objection is based largely on payment of attorneys' fees which is addressed below.

As established by Plaintiffs, the objections of Ms. Tomkinson are without merit since notices were published in 13 non-English speaking newspapers widely circulated in California. Ms. Tomkinson failed to present any admissible, relevant evidence that the notices made in the foreign language periodicals were made in English. Unsubstantiated allegations are insufficient to deny approval of the settlement. In addition, there are no requirements that the settlement agreement and the Court's preliminary approval be translated as contended by Ms. Tomkinson. As such, the Court overrules Ms. Tomkinson's objections in their entirety.

As stated above, the value of the non-cash components of the settlement are disputed. However, there is no dispute that the structural relief has substantial value. Subject to the approval and processes of the CPUC, the non-cash components of the settlement agreement are meaningful. The structural relief proposed by this settlement agreement was thoughtfully drafted using the Northern California regulatory scheme as a model. It was crafted after considerable reflection on concerns from all sophisticated institutional entities weighing in on the aspects of the litigation. The Court further notes that a plaintiffs' verdict in this case could not possibly have afforded the significant non-cash components provided by the settlement. These important considerations provide compelling reason to approve the settlement, since without the settlement there was no chance the class would achieve these valuable structural reforms and future monetary benefits.

The objections concerning attorneys fees will be addressed below.

Based on the factors detailed above, and the absence of applicable objections to the settlement, the Court grants the parties' request for final approval of the class action settlement as requested.

The Court directs Plaintiffs' counsel to prepare an Order in accordance with the ruling herein.

#### Plaintiffs' Application for Attorneys' Fees and Costs

The "experienced trial judge is the best judge of the value of professional services rendered in his court, and while his judgment is of course subject to review, it will not be disturbed unless the appellate court is convinced that it is clearly wrong." (*Serrano v. Priest* (1977) 20 Cal.3d 25, 49, citing *Harrison v. Bloomfield Building Industries, Inc.* (6th Cir. 1970) 435 F.2d 1192, 1196)

Both California state and federal courts recognize two methods for evaluating the fairness and reasonableness of attorneys' fees in class action settlements resulting in the creation of a common fund for the distribution to class members: (1) the percentage-of-the-benefit method; or (2) the lodestar plus multiplier method. (*Wershba v. Apple Computers, Inc.* (2001) 91 Cal.App.4<sup>th</sup> 224, 254; *Hanlon b. Chrysler Corp.* (9<sup>th</sup> Cir. 1998) 150 F.3d 1011, 1029)

In considering an award of attorneys' fees, the Court may evaluate (1) the results achieved for the class; (2) the risks faced by class counsel; (3) whether the class counsel's performance generated benefits beyond the creation of a cash settlement fund; (4) how the percentage compares to market rates and/or negotiated retainer rates with class representatives; and (5) whether based on the length and complexity of the case counsel had to forego other work. (*Vizcaino v. Microsoft Corp.* (9<sup>th</sup> Cir. 2002) 290 F.3d 1043, 1048, 50)

It is customary in percentage-of-the-benefit cases that attorneys fees are awarded based on 25 percent to 30 percent of the benefit received by the class. (*In re Activision Sec. Litig.* (N.D. Cal. 1989) 723 F.Supp. 1373, 1378-79; *Staton v. Boeing Company* (9<sup>th</sup> Cir. 2003) 327 F.3d 938, 968)

Plaintiffs' counsel seek \$161 million in fees for their considerable efforts in this action. Plaintiffs submitted persuasive evidence that the total settlement is valued at approximately \$1.16 billion. (See: Plaintiffs' Motion for Fees and Costs, Declaration of Joseph W. Cotchett, para. 30; Declaration of Honorable H. Lee Sarokin, Ret., para. 9; Plaintiffs' Memorandum of Points and Authorities in Support of Motion for Final Approval of Settlement, Shaeffer Declaration, Exs. 1, 3-4, 15, 25, 43-44) The Court recognizes the value of the non-cash consideration is subject to certain conditions, including the outcome of pending arbitration proceedings and approval by the CPUC. Nonetheless, these non-cash components of the settlement represent substantial value to the class. (See: Plaintiffs' Memorandum of Points and Authorities in Support of Motion for Final Approval of Settlement, Shaeffer Declaration, Exs. 2-3) The requested fees represents only about 10% of the estimated \$1.69 billion overall present value of the settlement. (Plaintiffs' Motion for Fees and Costs, Declaration of Joseph W. Cotchett, paras. 35-37, Declaration of Honorable H. Lee Sarokin, Ret., para. 50)

Generally, the percentage-of-the-benefit method allows for attorneys' fees in the amount of 25 percent to 30 percent of the total benefit received by the class. (*In re Activision Sec. Litig.* (N.D. Cal. 1989) 723 F.Supp. 1373, 1378-79; *Staton v. Boeing Company* (9<sup>th</sup> Cir. 2003) 327 F.3d 938, 968; Plaintiffs' Motion for Fees and Costs, Declaration of Joseph W. Cotchett, *supra*, Declaration of Honorable H. Lee Sarokin, Ret., *supra*.) Based on the total estimated benefit received by the class, Plaintiffs' counsel are entitled to fees of over \$500 million based on a conservative "benchmark" of 25% of the total benefit received by the class in this settlement. (Declaration of Honorable H. Lee Sarokin, Ret., para. 69) Although

substantial, Plaintiffs' counsels' request for \$161 million in fees represents a fraction of that amount. (*Ibid.*)

Even if the Court were to consider only the cash component of the settlement without regard to the valuable non-cash components, the requested fees are reasonable. The cash component of the settlement totals \$377 million, for which \$52 million is being allocated separately to certain claimants. The remaining \$325 million will provide for payment of attorneys' fees of approximately \$161 million as stated above. The requested fees constitute approximately 42 percent of the total cash settlement. As discussed below, this amount is reasonable under the historical circumstances of this case.

One method often used to test the value of a settlement is the Lodestar method. Under the Lodestar method, the Court finds the fees are also reasonable. It is undisputed that Plaintiffs' counsel worked approximately 94,058 hours on this case. (Declaration of Honorable H. Lee Sarokin, Ret., para. 61) The hourly rates of Plaintiffs' counsel are reasonable and commensurate with their respective skill and experience. (Plaintiffs' Motion for Fees and Costs, Declaration of Joseph W. Cotchett, paras. 26-29; Declaration of Honorable H. Lee Sarokin, Ret., para. 59) The average hourly rate of attorney time equaled \$395.00 per hour. This complex litigation spanned a period of 6 years at tremendous financial risk to counsel. Plaintiffs' counsel seeks a multiplier of 4.33 based on the complexity, novelty, and historical characteristics of the action. Based on \$37,192,368.00 of attorney time multiplied by 4.33 which equals \$161 million, the requested fees are "entirely appropriate in a case of this magnitude." (Declaration of Honorable H. Lee Sarokin, Ret., para. 61) The Court further finds the requested multiplier is just and fair in consideration of the following details.

Plaintiffs' counsel doggedly pursued this action despite the lack of support from governmental agencies and institutional bodies. There were great financial risks to counsel amounting to more than 9 million in out-of-pocket expenses for costs. (Declarations of Cotchett and Sarokin, *supra*) When courts throughout the state precluded similar actions from proceeding, Plaintiffs' counsel continued to pursue this case, and eventually guaranteed its "staying power" on a point of law that remains unsettled.

In addition, as stated above, the cash consideration alone constituted sufficient consideration for settlement under these circumstances. But in addition, counsel was able to secure significant non-cash concessions that improve the way the industry does business in order to guard against future abuse. The value of the non-cash components of the settlement agreement is disputed. Everyone, however, agrees the economic benefit to the class is remarkable under the circumstances. This case can only be characterized as a complicated, full time, non-stop pursuit worthy of a multiplier of four.

The efforts of counsel were tremendous and cannot be overstated. The time and dedication spent on this action was all consuming. For six years Plaintiffs counsel relentlessly pursued resolution of their clients' claims. The Court has no doubt that counsel traveled

a legal odyssey that has crossed jurisdictional boundaries and state lines, withstood repeated blistering attacks on their legal claims (including no less than forty attacks on all or part of the Plaintiffs' complaint, five summary judgment motions and five demurrers), waded through literally millions of pages of documents, engaged in massive discovery including hundreds of document requests and interrogatories and responded to over one thousand Requests for Admission, taken over 150 depositions, argued more than thirty in limine motions, tested the class against the crucible of class certification, moved to San Diego for a five month period of pre-trial and trial and navigated an eleventh-hour trip to the FERC. Then they steered the settlement over eight months of intense negotiations through multiple crises – any one of which could have cratered an already fragile accord – all the while bankrolling from their own pockets over nine million dollars in costs and tens of millions of dollars in deferred

work, without any guarantee of success. (Plaintiffs' Motion for Attorneys' Fees, Costs, and Class Representatives' Incentive Awards, p. 2:12)

UCAN made the only objection to attorneys' fees by an institutional entity. UCAN's objection was based on the fact that the non-cash components of the settlement agreement could not be adequately valued, and therefore, predicated the fees on any unverifiable number was imprudent. As stated herein, the risks to the class in continuing this litigation and the likely possibility of negligible recovery compel the Court to approve the settlement as drafted by the parties. Further, the benefit of the non-cash components of the settlement agreement were not available to the class even with a jury verdict in their favor. UCAN's suggestion that the matter should be stayed until a time when the value of the non-cash components are valued with certainty is unreasonable under the circumstances.

Objector Tomkinson complained the requested fees were exorbitant. Ms. Tomkinson, however, failed to provide relevant evidence to support her claims that the attorneys' fees were unreasonably high. Ms. Tomkinson also made allegations of ethical violations, and improper fee splitting, but also failed to provide admissible relevant evidence in support of her claims. Ms. Tomkinson's claims that certain attorneys conspired to create illegal fee agreements, and committed unethical conduct is purely contrived and unsubstantiated with any evidence of any nefarious intent.

At oral argument, Mr. Lindmark, counsel for Ms. Tomkinson, invited the Court to conduct evidentiary proceedings concerning her allegations of Plaintiffs' counsels' misconduct. Again at oral argument, Mr. Lindmark encouraged the Court to deny Plaintiffs' counsels' request for attorneys fees in this matter and to disgorge the fees awarded to counsel in the El Paso matter. Mr. Lindmark invited the Court to award those fees instead to Mr. Lindmark, under some sort of "reward" theory. The Court declines both of Mr. Lindmark's oral invitations.

Accordingly, the Court grants Plaintiffs' counsel's motion for attorneys' fees as requested.

The Court also approves the requested incentive fees of \$15,000 for Continental Forge, Sierra Pine, United Church Retirement Homes and Long Beach Brethren Manor and \$10,000 for the Berg family, the Welch family, the Frazee family, the Stella family, Gerald Marci, John Clement Molony and Robert Lamond. There was no opposition to the award of these incentive fees.

The Court hereby adopts Plaintiffs' proposed order awarding Plaintiffs' attorneys' fees and costs and class representatives' incentive awards as its own, and in its entirety.

#### Indexing Plaintiffs' Application for Attorneys' Fees

Plaintiffs' counsel seeks \$1 million in fees and costs associated with the settlement of the Sempra Defendants and the Natural Gas Pipeline Indexing cases. There was no opposition to Counsel's application with the exception of Ms. Tomkinson. Ms. Tomkinson, however, as stated previously, failed to submit admissible relevant evidence in support of her opposition that the requested attorneys' fees are unreasonably high.

Accordingly, the Court grants the Indexing Plaintiffs' Counsel application for the requested fees and costs.

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